

BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

In the Matter of:
Certain Steel Products

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Evaluation of Options for
Action Under §203

PUBLIC DOCUMENT

COMMENT ON REQUESTS FROM INTERNATIONAL MOLD STEEL,
EATON CORPORATION, AND NACHI AMERICA, INC.
TO EXCLUDE CERTAIN SPECIALTY STEEL FROM
IMPORT RELIEF UNDER SECTION 203 BY

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Date: December 5, 2001

TABLE OF CONTENTS

I.	Introduction	1
II.	Request for Confidentiality	1
III.	Executive Summary	2
IV.	U.S. Produced Tool Steel Is Not Available In Many Ranges and Sizes	2
V.	Customer-Specific Experience of U.S. Consumers	3
VI.	Conclusion	3

Comments on Exclusion Requests of International Mold Steel, Eaton Corporation, and Nachi America, Inc.

I. Introduction

This submission is made on behalf of Aços Villares S.A. to comment upon, and provide support to, the November 13, 2001 request by International Mold Steel, the November 13, 2001 request by Eaton Corporation and the November 12, 2001 request by Nachi America, Inc. for the exclusion of certain products from any quantitative relief imposed under Section 203. Such exclusions are needed because the described products cannot be produced in the U.S. in sufficient quantities or are otherwise unavailable.¹ As will be discussed herein, the requested exclusions are not broad enough and Aços Villares submits that any such exclusions should encompass ALL large diameter (greater than 4 inches in diameter) tool steel bar.

These comments are being filed in accordance with the instructions set forth in the notice published at 66 *Fed. Reg.* 54231 (October 26, 2001) as amended by the notice published at 66 *Fed. Reg.* 59599 (November 29, 2001).

II. Request for Confidentiality

We hereby request that certain information in these comments be granted confidential treatment in accordance with 15 C.F.R. § 2003.6. Confidential treatment is requested for information

¹ These requests all relate to various specialized tool steels, including bearing and valve steels.

provided by an end-user of these products, stating the unavailability of these products from U.S. Producers. This is the highly confidential information of a third party, obtained with the understanding that it would be treated as a trade secret. Further, these letters reveal internal information of the third parties, including confidential information as to their sources of supply and the materials and specifications used in the manufacture of the products. Finally, these third parties are concerned about possible retaliation from the domestic steel industry in the event their submission were to be revealed.

III. Executive Summary

As set forth in comments filed by others, the U.S. tool steel industry is unable to supply certain tool steel to the U.S. market. These requests for exclusion are not broad enough and should be expanded to include all tool steel in the form of large diameter bar.

IV. U.S. Produced Tool Steel Is Not Available In Many Ranges and Sizes

These comments focus on large diameter (greater than 4 inches) Tool Steel Bar. The requested exclusions specify very specific products, all of which are not readily available in the U.S. market. These requests are too narrow. In essence, these requests for exclusion are identifying individual trees in an entire forest of unproduced product. Aços Villares submits that

the entire metaphoric forest should be included as well. Aços Villares submits that the U.S. Tool Steel industry has chosen to focus on a limited range of production, both in the nature of the size of steel bar produced and the grades of steel. Entire segments of the market, such as that of large bar tool steel have simply been ignored. End users of such steel cannot, therefore, purchase domestically, but rather must rely upon imports. Without an adequate supply of foreign Tool Steel, U.S. end users will be unable to produce their end products and will ultimately lose business to foreign producers of end products using such steel.

V. Customer-Specific Experience of U.S. Consumers

Aços Villares, S.A. is providing, as Exhibit 1, a letter received in confidence from one of its Customers detailing its difficulties in obtaining a full range of sizes and grades of tool steel from U.S. producers. Aços Villares, S.A. submits that this comment is significant as it shows that the U.S. Tool Steel producers are simply unable to serve the market.

VI. Conclusion

Based on the foregoing, the various exclusions from quantitative relief requested for tool steel should be granted and expanded to include all large diameter tool steel. The U.S. industry cannot produce large diameter Tool Steel bar in sufficient

quantity to serve the U.S. market. Any restrictions would, therefore, not help the U.S. Steel industry and would work significant harm on the U.S. industry.

Respectfully submitted,

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By:

A handwritten signature in black ink, appearing to read 'D. Riggle', with a long, sweeping horizontal line extending to the left.

David A. Riggle

Attorneys for Aços Villares,
S.A.

EXHIBIT 1

THIS EXHIBIT NOT SUSCEPTIBLE TO SUMMARIZATION